



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MEDICAL COMMAND
2050 WORTH ROAD
FORT SAM HOUSTON, TEXAS 76234-6000

REPLY TO
ATTENTION OF

MCAA (715)

25 MAR 1998

MEMORANDUM FOR COMMANDERS, MEDCOM MAJOR SUBORDINATE COMMANDS

SUBJECT: International Merchant Purchase Authorization Card
(IMPAC) Credit Card Policy for U.S. Army Medical Command
(MEDCOM), Policy Letter 97-04

1. PURPOSE. The purpose of this policy letter is to guide MEDCOM activities in implementing and managing the IMPAC Program. It provides a background on the Credit Card Program, the Department of Defense (DOD)/Department of the Army (DA) goal, and defines the role of the credit cardholder, the certifying official, the Principal Assistant Responsible for Contracting (PARC), the Health Care Acquisition Activity Commander, the Directors of Logistics, and the budget and finance offices.
2. BACKGROUND. The President signed the Federal Acquisition Streamlining Act (FASA) into law on 13 October 1994. The FASA reflects a fundamental shift toward commercial practices and a major change to the character of the federal procurement process. The FASA changed or deleted 225 laws covering federal acquisitions. The contracting system is no longer based upon risk avoidance with cost prohibitive reviews, controls and delays. Today's system is based upon risk management, where the authority to make decisions and the accountability for these decisions are delegated to the lowest possible level consistent with law. The DOD is using the IMPAC card to streamline the acquisition process and to reduce costs. End users now have authority to purchase their open market requirements that do not exceed \$2,500. This removes the low-dollar, high volume workload that contributed to backlogs in contracting, logistics, and resource management.
3. GOAL. In Fiscal Year 1997 the Army Chief of Staff established a goal that 90 percent of all eligible requirements under \$2,500 are purchased by using the IMPAC card. This goal is only achievable by empowering our MEDCOM personnel to use the credit card at all levels within our organization. The expanded Credit Card Program is the cornerstone of Acquisition Reform commissioned by the National Performance Review. It is a DOD program that empowers us to obtain items needed for day-to-day operations in the most efficient and cost effective manner.



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4. REFERENCES.

- a. The Federal Acquisition Streamlining Act of 1994.
- b. The Clinger-Cohen Act (Federal Acquisition Reform Act of 1996).

5. RESPONSIBILITIES.

a. PRINCIPAL ASSISTANT RESPONSIBLE FOR CONTRACTING. The PARC is responsible for the following actions to establish the Credit Card Program for the command.

(1) Advise operational offices on Secretary of the Army for Research, Development, and Acquisition (SARDA) guidance, providing interpretations, clarifications and resolutions of conflict between implementing activities and SARDA.

(2) Publish MEDCOM policy on the Credit Card Program.

(3) Monitor and report on DA metrics of MEDCOM progress to SARDA to ensure that the DA goal of 90 percent of all eligible requirements under \$2,500 is measured and to influence the credit card participants to take appropriate steps to achieve the goal.

b. HEALTH CARE ACQUISITION ACTIVITY (HCAA). The Commander, HCAA is responsible to:

(1) Provide implementing guidance to the "one-staff" and contracting offices.

(2) Monitor and report on DA metrics of credit card use by Regional Medical Commands.

(3) Ensure that MEDCOM activities issue the credit card throughout all levels of MEDCOM organizations.

c. DIRECTORATES OF LOGISTICS.

(1) Participate in training the credit cardholders in proper use of the credit cards.

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(2) Develop and implement procedures for the purchasing of non-medical accountable items by credit cardholders.

(3) Participate in the review of credit card transactions to ensure the cards are being used properly.

(4) Ensure that all requirements for medical equipment and medical materiel (Mat Cat C) are processed through the supply account.

d. CREDIT CARDHOLDER.

(1) Purchase items required for mission support not exceeding \$2,500 in value. Medical items will be purchased in accordance with paragraph 5c(4) above. Purchase of non-medical accountable items will be coordinated with the property book officer.

(2) Ensure purchases do not circumvent mandatory sources required by Part 8 of the Federal Acquisition Regulation, prime vendor, or other contracts mandatory for use.

(3) Use an automated "checkbook accounting system" to document, verify, and control purchases with the credit card.

(4) Provide the resource management office with detailed documentation to support obligations/disbursements. A printout of the data in the checkbook system used by the cardholder should suffice for this requirement.

e. APPROVING/CERTIFYING OFFICIAL.

(1) Certify billing statements and assume fiduciary liability for payments.

(2) Certify billing statements utilizing enhanced management reports, credit cardholder input, and invoices.

(3) Ensure cardholders adhere to funding limits established by the budget office.

(4) Assist the cardholder and the budget office to properly manage their respective portions of the program.

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(5) When requested, assist the surveillance team in reviewing purchases of credit cardholders under their jurisdiction.

f. BUDGET OFFICE.

(1) Ensure the activity is only using credit cards issued by the MEDCOM's contracting offices.

(2) Bulk fund credit cards so that they can be used by the holders efficiently, effectively, and economically.

(3) Provide approving officials and credit cardholders with funding ceilings.

(4) Use detailed documentation to input actual obligations and reduce bulk funding accordingly.

(5) Move disbursement data to match actual obligations.

g. RESOURCE MANAGEMENT OFFICER.

(1) Bulk fund commitments and/or obligations in the accounting systems for credit card purchases.

(2) Use summary level accounting in the vendor pay system for a single statement (groups of purchases) instead of detailed lines of accounting for each transaction or purchase.

(3) Use standard accelerated invoice reconciliation and certification processes for disbursing against commercial invoices.

(4) Use an automated system that provides customers with the ability to track individual micro-purchases against summary commercial invoice data.

6. U.S. ARMY MEDICAL COMMAND CARDS. The MEDCOM activities will use only IMPAC cards issued by MEDCOM contracting offices. The MEDCOM activities will not apply for, accept, or use credit cards issued by other Army major commands. Credit cards will be issued to the lowest organizational level (the user level) consistent with this policy letter.

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7. LIMITS OF PURCHASES.

a. The MEDCOM credit cards will be used to purchase items or services not exceeding \$2,500. They may be used to purchase items in excess of \$2,500, but not exceeding \$25,000, if the servicing MEDCOM contracting office has issued a contractual document and specifically authorized the cardholder to use the contract(s) to purchase items using the credit card.

b. Credit cards are not intended to replace the necessity for prudent business planning. A onetime requirement for a specific item or service is appropriate for using a credit card. Repetitive purchases of the same item or service should be identified as a requirement to be covered by contract with scheduled deliveries or with an open authorization to allow calls for individual deliveries.

c. All requisitions for medical items will be processed through the Materiel Division/Branch supply account. This will provide asset visibility for standardization and protect the commander for Joint Commission on Accreditation of Healthcare Organizations Accreditation, Food and Drug Administration recalls, quality controls, legal liabilities, safety, maintenance, and hazardous materiel tracking.

d. Purchase of maintenance for medical equipment will only be accomplished by the Medical Maintenance Office.

e. Purchase of controlled substances requires appropriate Drug Enforcement Administration (DEA) licensing. The credit card will not be used to purchase controlled substances, unless the credit cardholder holds a DEA license for controlled substances.

8. TRAINING TEAMS. Credit cardholder training teams shall consist of a representative from the contracting office, a representative from Logistics, a representative from Resource Management, and a representative of the servicing Staff Judge Advocate Office. Additional areas, such as clinical, Department of Public Works, etc., may be part of the training teams if considered appropriate by the above charter members of the team.


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9. SURVEILLANCE. Reviews and analysis of credit card purchases will be accomplished by representatives from the same disciplines as the training teams and, when feasible, will include the Approving Official for the section. Reviews will be of sufficient detail to conclude when additional cardholder training is necessary and when items are being purchased that are beyond the scope or capability of the Credit Card Program. Surveillance will also include an analysis of items purchased to provide a forecast of items or services appropriate for Requirements or Task Order contracts. Initially, reviews shall be conducted on a quarterly basis, and the schedule changed as findings dictate.

10. This MEDCOM policy letter supersedes previous policy stated in memorandum signed by BG Warren H. Todd, Head of the Contracting Activity, in June 1995.

FOR THE COMMANDER:


JOHN J. CUDDY
Major General, DC
Chief of Staff